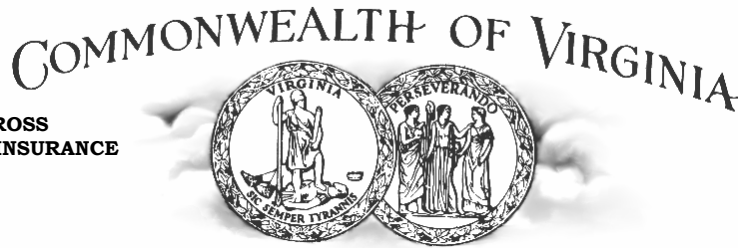


ALFRED W. GROSS
COMMISSIONER OF INSURANCE



P.O. BOX 1157
RICHMOND, VIRGINIA 23218
TELEPHONE: (804) 371-9741
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<http://www.state.va.us/scc>

**STATE CORPORATION COMMISSION
BUREAU OF INSURANCE**

April 15, 2005

MEMORANDUM

TO: ALL INSURANCE AGENTS WHO, ACCORDING TO OUR RECORDS,
FAILED TO COMPLY WITH VIRGINIA'S INSURANCE CONTINUING
EDUCATION REQUIREMENTS

FROM: Brian P. Gaudiose
Deputy Commissioner
Agent Regulation and Administration

All course completion and proof of compliance submission deadlines for the 2003-2004 continuing education biennium have now expired. Our records indicate that you failed to comply with those requirements. These requirements were explained in the Continuing Education Handbook (CE Handbook) that was mailed to you. In July and November of 2004, two warning letters were also mailed to you.

The deadline for completing the necessary course work was December 31, 2004. The deadline by which proof of compliance, including the \$15 processing fee, had to be **received** by Experior Assessments (Experior) was the close of business on February 28, 2005, or by close of business on March 31, 2005 with the payment of an additional \$250 late filing penalty. These deadlines are specifically set forth in Virginia law. Virginia law also makes it clear that neither Experior, the Virginia Insurance Continuing Education Board, the Bureau of Insurance, nor the State Corporation Commission are empowered to grant extensions or make exceptions. Those who failed to comply, for whatever reason, by those dates will have the licenses regarding which they did not comply terminated at the conclusion of the record correction and appeal periods provided under the law. These record correction and appeals periods are summarized below and explained in the CE Handbook.

As the letter enclosed with this memorandum states, your license(s) referenced in the letter will terminate on or about September 1, 2005. By law, the only way to avoid license termination is to demonstrate that the official records of compliance maintained by Experior on behalf of the Virginia Insurance Continuing Education Board are incorrect. Your time to prove this is limited to a period of 30 days from the date of this letter.

THE PERIOD BETWEEN THE DATE OF THIS LETTER AND MAY 15, 2005, is known as the **RECORD CORRECTION PERIOD**. During this period of time, recipients of this letter who can submit documentation to PROVE that the official records are incorrect may do so, and such documentation will be reviewed. If the proof is acceptable, the record will be corrected accordingly. **The ONLY ACCEPTABLE COMMUNICATIONS DURING THIS 30-DAY PERIOD ARE THOSE SENT TO EXPERIOR.**

If you did, in fact, file every required form, document, fee, cover letter, etc. with Experior so as to be **received** by Experior by February 28, 2005 (or by March 31, 2005 with payment of the \$250 late filing fee), and if you have a receipt or a written communication from Experior demonstrating that your complete submission was received by one of those dates, this should be submitted, in writing, during the period between the date of this letter and May 15, 2005. Acceptable proof of filing would include, in addition to copies of the documents you claim to have submitted, being able to produce a signed receipt for certified or registered mail, or a signed receipt from a private carrier such as Federal Express, Emery, UPS, or others showing a delivery date. **NOTE THAT THE PROOF MUST BE RECEIVED BY EXPERIOR ON OR BEFORE MAY 15, 2005 IN ORDER TO BE REVIEWED.**

- If you believe Experior's records are incorrect, your communication to Experior must include the following information:
 - Your name;
 - Your Agent Identification number (usually your Social Security Number)
 - Your residence address
 - Your daytime telephone number and FAX number (if available)
 - A list of the Virginia licenses you hold
 - A description of the records you believe are incorrect
 - Documentation to support your contention that the records are incorrect

Note, please, that you are to communicate with the Board through its contracted administrator, Experior.

COMMUNICATIONS SENT TO THIS OFFICE OR TO ANY BUREAU OF INSURANCE STAFF WILL NOT BE PROCESSED AND WILL SIMPLY CAUSE A DELAY IN THE INFORMATION REACHING EXPERIOR BY THE MAY 15TH DEADLINE.

It is Experior that has the records, and it is Experior to whom you must demonstrate that you complied in all respects with the continuing education requirements, including making a complete and proper submission **ON OR BEFORE THE DEADLINE(S) DESCRIBED ABOVE.** Simply telling Experior that you mailed something in "plenty of time" and they "should have" received it will not suffice. Any such communication, by the way, must come from **you** (not your secretary, or your spouse, or your employer), and must include **your** signature, agent identification number (usually your social security number), and your residence address.

If you do NOT have the kind of proof described above, no purpose will be served by your attempting to contact Experior, nor is there any reason for you to contact the Bureau. YOU WILL LOSE YOUR LICENSE(S) ON OR ABOUT SEPTEMBER 1, 2005.

Remember, if you wish to submit proof that the Board's records are incorrect, the proof must be submitted directly to Experior, at the following address:

**Experior
Attention: 2004 Virginia CE Compliance
1260 Energy Lane
St. Paul, MN 55108-5225**

Again, if you send such information to the Bureau instead of to Experior, it will only delay receipt and review by Experior, since my staff will simply, upon receipt, forward such mail to Experior

for handling. If any delay caused by your failure to follow these instructions results in license termination, you will have no grounds for appeal.

There will be NO extensions. If you have the kind of proof described above, it MUST BE RECEIVED BY EXPERIOR no later than the close of business on May 15, 2005. I urge you to communicate via certified mail, registered mail, or one of the overnight delivery services.

At the conclusion of the record correction period (May 15, 2005), the law provides for a period of time during which you may APPEAL decisions with which you disagree. There is a very specific 3-tiered appeal process that must be followed, and it is fully described in the most recent edition of the C.E. Handbook. Only AFTER you have exhausted all 3 levels of appeal are you permitted to appeal to the Bureau of Insurance. If you have misplaced the Handbook, you may also access this information via Experior's Internet Website at <http://www.experioronline.com/vaceProd.asp>. You must follow the appeal process as described, **and in the order prescribed.**

Your appeal MUST be submitted in writing, **MUST BE SENT TO EXPERIOR** (and NOT to the Bureau of Insurance), and MUST be received by Experior no earlier than May 15, 2005 and no later than June 28, 2005. Follow the instructions in the Handbook for how to file an appeal.

If your appeal is granted, you will be notified in writing prior to the projected license termination date of September 1, 2005. However, if your appeal is denied by Experior, the Board's Grievance Committee, the C.E. Board, and (if applicable) the Bureau of Insurance, your license(s) will terminate on or about September 1, 2005.

Let me address what will happen if your license(s) terminates:

1. From the moment your license terminates, you will be prohibited from selling, soliciting, or negotiating in Virginia, contracts of insurance of the type authorized by the license that has been terminated.
2. Simultaneously with the termination of your license, all company appointments made under that license will be terminated, and each insurer that had in effect an active appointment of you under that license will be notified that the appointment has been terminated, and why. The insurer will be instructed to accept no business generated by you subsequent to September 1, 2005.

CONTRARY TO WHAT MANY AGENTS WERE APPARENTLY TOLD BY SOME INSURERS, LOSS OF YOUR LICENSE DOES NOT MEAN THAT YOU ARE NO LONGER ENTITLED TO COMMISSIONS EARNED WHILE YOU WERE LICENSED. WHILE YOUR CONTRACT WITH A PARTICULAR INSURER MAY CONTAIN A PROVISION STATING THAT COMMISSIONS ARE FORFEITED IF YOUR LICENSE OR YOUR APPOINTMENT TO REPRESENT THAT INSURER ARE TERMINATED, ANY INSURER THAT TELLS YOU THAT VIRGINIA LAW REQUIRES SUCH A PROVISION IS MISINFORMING YOU. [SEE § 38.2-1812.D OF THE CODE OF VIRGINIA]

3. If it is at any time determined that you continued to sell, solicit, or negotiate insurance after being sent notice of license termination, the Bureau of Insurance may initiate formal disciplinary proceedings against you and any insurer that does business with you for violation of any number of statutes that can be found in Title 38.2, Chapter 18 of the Code of Virginia, as amended. Penalties for such violations can range up to \$5,000 for each violation, as well as revocation or suspension of your license(s) or refusal to issue a new license at the end of the 90-day period.
4. Before you can apply to get your license(s) back, you have some obligations.

- First, there is a statutory penalty, giving you a choice of waiting 90 days before re-applying for a license, or paying a \$1,000 administrative penalty and avoiding the 90-day wait. Remember, however, that regardless of which option you choose, RESIDENT AGENTS must have first registered for and passed the appropriate preclicensing examination (including Title agents) before applying. NONRESIDENT AGENTS are subject to the same penalty period or administrative penalty, but will NOT be required to pass the Virginia examination.
 - If you choose to pay the \$1,000 penalty, you may re-apply for a license immediately following, but no earlier than the September 1, 2005 termination date. Applications received prior to that date will be returned. However, Virginia RESIDENT applicants must have first registered for and passed the appropriate preclicensing examination. The Bureau of Insurance will not accept NONRESIDENT applications electronically between September 1 and November 30, 2005 as the administrative penalty must be submitted with the application.
 - If you choose to avoid the \$1,000 penalty, you must wait 90 days, or until no earlier than December 1, 2005 before applying for a new license to be issued. However, Virginia RESIDENT applicants must have first registered for and passed the appropriate preclicensing examination. Applications received prior to December 1, 2005 date will be returned. We will begin processing applications on December 1, 2005, and will make every effort to issue licenses as expeditiously as possible.
 - **Either way, submitting your application at the proper time, in the proper form, with all required documentation and fees will be the best way in which you can get your license reissued quickly.**
- Second, you must submit a separate license application (Form PIN3001 or the NAIC Uniform Application) to the Bureau of Insurance, along with the \$15.00 license processing fee, for each license you want to get back, in the form of a certified check, teller's check, bank check, or money order made payable to the **STATE CORPORATION COMMISSION** (no personal checks will be accepted).

If you are a **resident** agent, you will also have to submit a current (no more than 90 days old) Criminal History Record Report which can be obtained from the Virginia State Police Department.

- License application forms, preclicensing study course information, examination content outlines, examination registration information, fees and forms, and other required documents are contained in the Virginia Licensing Information Bulletin. You may obtain a copy of the Bulletin by contacting Experior's license examination section at the address or telephone numbers shown below. **PLEASE MAKE SURE YOU REQUEST THE VIRGINIA BULLETIN, BECAUSE EXPERIOR PUBLISHES BULLETINS FOR A NUMBER OF OTHER STATES AS WELL.** If you need more than one license application, the forms may be downloaded from the Bureau's website at: <http://www.scc.virginia.gov/division/boi/webpages/boiformsapplications.htm> or faxed from the Bureau's Interactive Voice Response System. If you are unable to take advantage of either of those options, then you must request the forms **in writing**, from the Bureau. **Be sure to include a self-addressed return envelope with your written request.**

I urge each of you to obtain and read a copy of the Bulletin before enrolling in a study course, taking the examination, or applying for a new license.

The C.E. Handbook, the Licensing Information Bulletin for Virginia, and a number of related forms are available through Experior's web site at: www.experioronline.com

The mailing address for requesting Bulletins from Experior is:

**Experior
1260 Energy Lane
St. Paul, MN 55108-5225**

Telephone:	Toll-Free	1-888-226-9339
	TDD/Voice (Telecommunications device for the deaf) -Toll-Free	1-800-790-3926

The Bureau's mailing address and telephone numbers are:

**Agents Licensing Section
Bureau of Insurance
P.O. Box 1157
Richmond, VA 23218**

Telephone:	Toll-free (VA residents only)	1-800-552-7945
	Local	804-371-9631
	TDD/Voice (Telecommunications device for the deaf)	804-371-9206